



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

SUBJECT: SEE BELOW

DATE: January 13, 2014

Approved

Date

1/22/14

COUNCIL DISTRICT: 5

**SUBJECT: COST-SHARE AGREEMENT BETWEEN THE CITY OF SAN JOSE AND
THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
(VTA) FOR THE SANITARY SEWER RELOCATION PROJECT**

RECOMMENDATION

Approve an agreement with Santa Clara Valley Transportation Authority for the Sanitary Sewer Relocation Project on Alum Rock Avenue from the date of execution to June 30, 2015, in an amount not to exceed \$643,000.

OUTCOME

Approval of this cost-share agreement will allow VTA to relocate the City's sanitary sewer utilities that are in conflict with the Santa Clara/Alum Rock Bus Rapid Transit (BRT) Project as well as redesign the existing sanitary sewer utilities on Alum Rock Avenue from Highway 101 to King Road to provide better flow and reduce potential sanitary sewer blockages.

BACKGROUND

In November 2000, the voters in Santa Clara County passed Measure A, a 30-year half cent sales tax devoted to specified public transit capital improvement projects and operations. Collection of the sales tax began on April 1, 2006, and will continue through March 31, 2036. With the passing of this measure, the VTA 2000 Measure A Transit Improvement Program was developed. The BRT Project is one of several projects listed in the VTA 2000 Measure A Transit Improvement Program.

The BRT Project is located in the City of San José and extends approximately 7.2 miles from the SAP Center to the Alum Rock Transit Center and terminates at the Eastridge Transit Center. The improvements include the construction of an exclusive BRT median busway with median

stations along Alum Rock Avenue between Highway 101 and Capitol Avenue. In order to construct these improvements, the BRT project will be required to relocate existing sanitary sewer utilities along a portion of Alum Rock Avenue between Highway 101 and King Road.

This agreement will allow the City and VTA to share the to redesign and construct the remaining stretch of sewer utilities along Alum Rock Avenue from Highway 101 to King Road to allow for improved sewage flow.

ANALYSIS

The sanitary sewer utilities along Alum Rock Avenue between Highway 101 and King Road are in need of redesign due to shallow slope and recent maintenance issues. Since the BRT project is also in conflict with a portion of the sanitary sewer system within these same limits it was determined to be in the public interest and convenience for the sanitary sewer utilities to be relocated and redesigned as part of VTA's BRT Project. This will streamline the various coordination and scheduling processes, minimize the inconvenience to the public and is more cost effective in utilizing public funds than implementing separate projects.

The cost share agreement for the Sanitary Sewer Relocation Project covers the relocation and redesign of the sanitary sewer system on Alum Rock Avenue between Highway 101 and King Road. The project includes abandoning approximately 1,400 linear feet of sanitary sewer pipes and re-designing and installing two new parallel sewage systems amounting to approximately 3,200 linear feet of new sanitary sewer.

The VTA BRT Project opened bids on August 27, 2013. Based on actual bids received, estimated project quantities, VTA administration costs and contingencies, the City's maximum "Not To Exceed" amount for the Sanitary Sewer Relocation Project negotiated under this agreement is \$643,000.

EVALUATION AND FOLLOW-UP

No further follow up action with the Council is expected.

POLICY ALTERNATIVES

***Alternative #1:** Not approve a cost share agreement to combine the relocating and redesign of the sanitary sewer system along Alum Rock Avenue from Highway 101 to King Road.*

Pros: The City will not be constrained to VTA's project schedule

Cons: More disruption to the public, less cost effect in utilizing public funds, increase in construction coordination issues

Reason for not recommending: This alternative is not practicable or cost effective. Since the two projects overlap, it would be more cost effective and convenient to the public to have VTA perform the Sanitary Sewer Relocation Project as part of their larger VTA BRT project.

PUBLIC OUTREACH/INTEREST

- ☐ **Criterion 1:** Requires Council action on the use of public funds equal to \$1,000,000 or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet the above criteria requiring additional notification; however, it will be posted on the City's Council Agenda Website for the February 4, 2014 Council agenda.

COORDINATION

This agreement and memorandum have been coordinated with the VTA, the Department of Transportation, the City Attorney's Office and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This agreement and project is consistent with the Council-Approved Budget Strategy Economic Recovery Section in that it will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1. COST ELEMENTS OF THE COST SHARE AGREEMENT:

Administration	\$84,000
Project Construction	\$559,000
Total Obligation from City of San Jose	\$643,000

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2. SOURCE OF FUNDING: 545 – Sewer Service and Use Charge Capital Improvement Fund
3. OPERATING COSTS: This agreement will have minimal additional operating and maintenance costs upon completion because the project will improve the design and relocate existing sanitary facilities which should reduce current maintenance costs. The existing facilities are currently operated and maintained by the Department of Transportation.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Agreement	2014-2018 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs					\$643,000		
Total Current Funding Available							
545	7611	Alum Rock Avenue Sanitary Sewer Replacement	TBD	\$1,200,000	\$643,000	Capital V-88	6/18/2013, Ord. No. 29271
Total Funding for Projects				\$1,200,000	\$643,000		

CEQA

Exempt, File No. PP13-076.

/s/

DAVID SYKES
Director of Public Works

For questions please contact Michael O'Connell, Deputy Director, at 408-535-8300.

MO:al